

LEGISLATIVE AUDIT COMMISSION



Review of
Department of Professional Regulation
Year Ended June 30, 2004

622 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW: 4232
DEPARTMENT OF PROFESSIONAL REGULATION
YEAR ENDED JUNE 30, 2004

FINDINGS/RECOMMENDATIONS - 22

IMPLEMENTED - 3
ACCEPTED - 19

REPEATED RECOMMENDATIONS - 12

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 19

This review summarizes the auditors' reports of the Department of Professional Regulation, for the year ended June 30, 2004, filed with the Legislative Audit Commission June 23, 2005. The auditors performed a compliance examination in accordance with *Government Auditing Standards* and State statute. This is the final examination of the Department of Professional Regulation. As a result of Executive Order #6 (2004), which became effective July 1, 2004, all powers, duties, responsibilities and rights vested in the Department were transferred to the new Department of Financial and Professional Regulation.

The Department of Professional Regulation is responsible for maintaining proper standards of competence by license holders and to protect the public from those who abuse their licenses. This responsibility encompasses licensing individuals either through issuance of an initial license or by license renewal, administering examinations as a requisite to licensure in certain professions, establishing rules for the proper conduct of licensees, performing investigations into complaints filed against licensees, and taking disciplinary action against licensees determined to have violated the laws or rules governing their profession.

Mr. Patrick Hughes served as Department Director for the first 28 days of the audit period. Mr. Fernando E. Grillo became the Director of the Department of Professional Regulation on July 29, 2003. He served as Director for the balance of the one-year audit period and oversaw the merging of the Department of Professional Regulation into a new Department of Financial and Professional Regulation. Mr. Grillo was the Secretary of that Department until he resigned on August 2, 2005. The Acting Secretary is Dean Martinez. Mr. Martinez served as Chief of Staff prior to being appointed Acting Secretary. Beginning in March 2002, he served as the Chief of Legislative Affairs and Legal Counsel for the Department of Financial Institutions. Dan Bluthardt is the Director of the Division of Professional Regulation.

Appendix A indicates during FY04 the Department granted 57,257 new licenses, renewed 279,651 licenses, received 9,781 complaints, referred 1,424 complaints to investigation, referred 6,368 investigative cases to prosecution, and placed 590 licensees on probation.

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The average number of employees by division is as follows:

Division	FY04	FY03	FY02
Director's Staff	14	15	14
Internal Audit	1	3	4
Office of Legal Affairs	10	11	10
Licensing & Testing	56	62	64
State-wide Enforcement	102	110	117
Human Resources	-	4	4
Public Information	5	2	-
Fiscal Operations	15	17	16
Formal Hearings	5	5	3
Deputy Director's Office	4	20	27
Medical Coordinator	3	-	-
Administrative Services	33	26	34
TOTAL	248	275	293

Expenditures From Appropriations

The General Assembly appropriated a total of \$25,501,573 from 11 different funds during FY04; however, no funds were appropriated from GRF. Appendix B summarizes these appropriations and expenditures for the period under review. Costs associated with some of the professions regulated by the Department are paid from those respective professions' individual funds. The costs associated with the other professions regulated by the Department are paid from the General Professions Dedicated Fund. Overall general costs of the Department, (i.e., costs associated with Department management) were paid from the Department's Professions Indirect Cost Fund and the General Professions Dedicated Fund.

Total expenditures from all funds decreased from \$23,984,253 in FY03, to \$22,141,379 in FY04, a decrease of more than \$1.8 million, or 7.7%. The decrease is due primarily to a decrease in the number of employees. Appendix C indicates expenditures for FY04 and FY03 by major object code.

Lapse period expenditures were approximately \$1.66 million, or 7.5% in FY04.

Cash Receipts

The Department collects fees in connection with the licensing of various professions and occupations. Over the past several years the Department has implemented dedicated funds to separately account for the costs of administering several professions in addition to

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other professions funded through the General Revenue Fund. Cash receipts totaled \$28,112,134 in FY04, and \$22,663,531 in FY03, and \$34,617,856 in FY02. Generally, variances in receipts were due to fee changes, renewal periods, changes in the number of licensees, and changes in profession titles and qualifications. The table in Appendix D summarizes the revenues recorded in the various funds.

Locally Held Funds

Appendix E summarizes the locally held and administered funds of the Department for the two years under review. The General Official Advance Fund is a Special Revenue Fund with the purpose of securing and preparing evidence and purchasing controlled substances, professional services, and equipment for enforcement activities.

Property and Equipment

Appendix F provides a summary of changes in property and equipment. Property and equipment decreased from \$5,614,847 as of July 1, 2003, to \$5,487,034 as of June 30, 2004. Approximately \$242,432 consists of automobiles.

Accounts Receivable

As of June 30, 2004, the Department's accounts receivable totaled \$370,000, with a substantial portion consisting of fines receivable (uncollected disciplinary fines assessed by the Department). Of the \$370,000 in gross receivable, \$167,000 is current and \$203,000 is past due, and \$88,000 is estimated uncollectible.

Accountants' Findings and Recommendations

Condensed below are the 22 findings and recommendations included in the audit report. There were 12 repeated recommendations. The following recommendations are classified on the basis of updated information provided by Travis March, Chief Financial Officer, Department of Financial and Professional Regulation, via electronic mail dated October 18, 2005.

Implemented or Accepted

- 1. Only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Department's budget.**

Implemented or Accepted - continued

Findings: The Department made payments for efficiency initiative billings from improper line item appropriations. The Department received three billings totaling \$451,049 from CMS as follows:

Information Technology	\$236,801
Procurement Efficiency	\$195,467
Vehicle Fleet Management	<u>\$ 18,781</u>
Total:	\$451,049

The Department utilized funding from areas of projected surplus and from areas where the loss of funding would not significantly impact day-to-day operations as follows:

- \$270,000 from Group Insurance for all three initiatives,
- \$25,000 for the Professional Regulation Evidence Fund for Information Technology Initiative, and
- \$10,000 from Travel to pay Vehicle Fleet Management Initiative.

Response: Accepted. Pursuant to the provisions of Public Act 93-0025 and recommendations of the Governor's Office of Management and Budget, the Department made efficiency initiative payments from line items where the anticipated savings would have the least effect on the Department's ability to meet its statutory requirements. The Department will continue to seek from the Department of Central Management Services specific information identifying these savings.

Updated Response: DFPR continues to seek information from CMS regarding calculation methodology and savings justifications for agency efficiency initiative billings.

2. Establish effective controls over travel including adequate approval of travel requests and review of travel vouchers prior to reimbursement.

Findings: The Department did not enforce travel regulations. The auditors noted the following exceptions:

- All five out-of-country travel vouchers were not approved in advance by the Chairman of the Governor's Travel Control Board.
- Four of 76 travel vouchers were completed incorrectly. The vouchers listed incorrect headquarters that were not in agreement with TA-2 submissions.

Response: Accepted. The agency was notified only six days in advance of the out-of-country travel requests for the fact finding trip to Canada and only 11 days prior to the out-of-country trip to Europe for the Governor's Task Force on Importation of Canadian and European Drugs. It was mandated by the task force for the I-Save Rx plan that the travel be implemented as quickly as possible. Due to the short pre-notification time frame, it is the agency's belief that the travel would qualify as an exception under Section 2800.710 of the Travel Guide.

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Prior to obtaining the approval of the Travel Control Board, the agency must also obtain approval for the travel from the Governor's Office of Management and Budget as well. This requirement, along with the belief that the Governor's Office Task Force had already sought Travel Control Board approval, led to the stated delays in obtaining final Travel Control Board approval.

The Department will exercise increased awareness in the future to ensure that both Travel Control Board requirements are met and that employee headquarters are properly listed on all travel vouchers.

Updated Response: The Agency is working with the State of Illinois Travel Control Board to insure that all out-of-country travel requests receive prior approval. The Department has also increased oversight efforts to ensure that employee headquarters are correctly listed on all travel vouchers.

3. Obtain written justification for any allocation of costs made to the Department in future Interagency Agreements.

Findings: The Department entered into an interagency agreement to pay a portion of the costs of a contract to investigate the circumstances of the fire at the Cook County Administration Building without documentation to support the share of costs allocated to the Department. The Department's share of the Project's cost was 20% with a cap of \$125,000. The cost of the entire Project would not exceed \$1.9 million. The following Departments and agencies also contributed to the Project from the start until April 1, 2004:

- State Fire Marshal 10% \$ 60,000
- Illinois State Police 54% \$333,333
- Illinois Emergency Management 4% \$ 25,000
- Department of Labor 12% \$ 71,000

From April 1, 2004 to June 30, 2004, the following agency contributed to the Project:

- Capital Development Board 100% \$850,000

For FY05, the agencies further agreed to pay the remaining Project costs of \$435,667 and cooperated with GOMB in allocating the balance of the Project costs.

During FY04, the Department paid \$125,000 for its allowable share of the Project. The Department could not provide documentation to demonstrate why it was bearing such a large portion of the contract, nor could they provide support on the methodology of allocating costs.

Response: Accepted. The Department scrutinized and oversaw its portion of the contract and will ensure more detailed documentation of its costs in future interagency agreements.

Implemented or Accepted - continued

4. Implement computerized receipt records and reconciliations to ensure accurate financial reporting.

Findings: The Department maintained manual revenue ledgers that were not in agreement with computerized receipt records and did not allow for adequate receipt reconciliations.

The auditors noted the computerized receipt records yearly totals did not agree with the summation of the monthly totals from the same computerized system. Various adjustments had been made to reclassify deposits between funds, but the year-end report did not properly capture these adjustments. Because of these reporting errors, computerized receipt records were not in agreement with manual revenue ledgers.

The auditors also noted the manual ledger system did not provide accurate information to allow the Department to perform monthly reconciliations, including year-end reconciliations of Department deposits to the comptroller's records.

Updated Response: Accepted. The Department has implemented an automated ledger system to track the computerized receipt records.

5. Ensure monthly reconciliations are performed in accordance with SAMS procedures to ensure accurate financial reporting. (Repeated-2003)

Findings: The Department did not perform a timely reconciliation of Department records to the State Comptroller records, as required by SAMS.

Response: Accepted. The Department will work to ensure receipt reconciliations are completed in a timely manner in accordance with SAMS procedures to ensure accurate financial reporting.

6. Hold management personnel accountable for completing employee performance evaluations timely. (Repeated-1993)

Findings: The Department did not conduct employee performance evaluations on a timely basis. Nine of 25 employees sampled did not have a performance evaluation performed on a timely basis. According to Department personnel, management has made the evaluation process a priority. However, the supervisors assigned responsibility for completion of the evaluations have failed to follow Department policy.

Response: Accepted. The Department is developing and implementing agency-wide performance evaluation policies and procedures to ensure that evaluations are filed timely.

7. Amend policies to require employees to maintain time sheets in compliance with the State Officials and Employees Ethics Act.

Findings: The Department did not maintain time sheets for its employees in compliance with State law. Employees' time is tracked using a "negative" timekeeping system whereby the employee is assumed to be working unless noted otherwise. No time sheets documenting the time spent each day on official State business to the nearest quarter hour were maintained.

Updated Response: The Department is poised to implement an affirmative timekeeping system for certain classes of employees. Implementation for all employees will be delayed pending continued negotiations between CMS and the collective bargaining units.

8. Devote adequate resources and follow established policies and procedures to ensure invoice vouchers are processed, approved and paid in a timely manner to limit interest penalties. In addition, perform the calculations necessary to determine if any vendors are owed interest as a result of changes in the law, and pay required charges. (Repeated-2003)

Findings: The Department did not maintain adequate controls over the processing, approval and payment of vouchers as required by the Administrative Code and Department policy. The auditors noted the following:

- In 6 of 10 invoice vouchers reviewed, the vendor invoice was approved for payment from three to 84 days late;
- In two of 60 invoice vouchers reviewed, the vendor invoice was not properly approved and dated, and therefore did not support approval within 30 days of receipts;
- In two of 60 invoice vouchers reviewed, interest payments were not properly remitted to the vendors, totaling \$274; and
- The Department did not implement internal procedures that would permit full compliance with the provisions of the State Prompt Payment Act, including reviewing all invoice vouchers and calculating interest for each individual vendor bill received or determining whether an interest penalty is owed. The Department stated that no interest payments were made during FY04.

Updated Response: Accepted. As part of the DFPR consolidation, bill payment functions have been consolidated into a central vouchering unit. This has assisted in meeting approval timeframes. The Agency now receives a monthly report from the accounting system that identifies vendor payments that are eligible for interest under the Prompt Payment Act.

Implemented or Accepted - continued

- 9. Devote adequate resources and develop a formal policy for the timely review of telecommunications services and expenditures, a cell phone usage policy, and a policy to notify the Telecommunications Coordinator upon employee separation. (Repeated-2003)**

Findings: The Department did not maintain adequate controls over telecommunication services and expenditures.

- In all 11 invoice vouchers for telephone, pager, and cell phone charges tested, the Department did not perform a timely review of the vendor invoice and monitor charges for services and expenditures to ensure unnecessary expenditures were eliminated, proper service was provided and misuse of telecommunications services did not occur.
- Three of ten telephone credit card cancellation forms were not submitted timely upon employee separation.
- The Department does not have a formal system or policy to notify the Telecommunications Coordinator upon employee separation from the Department.
- The Department had no formal policy related to the approval and usage of the Department's cellular phones and pagers.

Response: Accepted. The Department, through the Department of Financial and Professional Regulation merger, is working to more efficiently reallocate resources to review and monitor the area of telecommunications that have lacked controls.

Many of the telecommunication issues are now the responsibility of the new Division of Administrative Services. That division is in the process of developing a comprehensive new Telecommunications Policy that will address these issues.

- 10. Revise, review and approve a Vehicle Policy to ensure adequate controls over the operations of automotive equipment and expenditures. Reiterate to all employees the importance of adherence to established policies and procedures to strengthen controls over the operations of automotive equipment and expenditures. (Repeated-2003)**

Findings: The Department did not maintain adequate controls over the operation of automotive equipment and expenditures. The auditors noted multiple problems when they reviewed accident reports and automotive invoice vouchers.

Response: Accepted. The Department will ensure future accident files are completed, reviewed and maintained by departmental staff and filed with Central Management Services in a timely manner.

The new Department of Financial and Professional Regulation, Division of Administrative Services will review legacy Department policies as well as the policies of the other legacy

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agencies in the consolidation. This will assist in developing comprehensive new vehicle policies establishing better controls over the operations of automotive equipment and expenditures.

- 11. Establish and enforce a policy and obtain certification forms for license and automotive liability insurance for State assigned vehicles, as required by statute, or rescind an employee's authority to use a State assigned vehicle who refuses to provide the required certification. (Repeated-2001)**

Findings: Auditors tested 64 State vehicle assignments for FY03 and noted the following:

- For three assignments, a certification of license and automotive liability coverage was not on file.
- For 61 assignments, a certification was signed; however, the certification was not in accordance with the Code. The certification pertained to reimbursement on personal vehicle use for State business rather than for vehicle assignment.
- The Department has not revised its Vehicle Policy to refer to certification of licensure and automotive liability coverage for use of State assigned vehicles.

Updated Response: The Department continues to work with Central Management Services on collective bargaining efforts to correct this finding.

- 12. Continue efforts to improve controls through monitoring of established procedures over the Enforcement Division to ensure case files and the Regulatory Administration and Enforcement System reflect necessary and significant investigative, prosecution, and probation/compliance activities in the Department's established time frames.**

Findings: The Department's Division of Enforcement did not perform and/or document enforcement activities in a timely or sufficient manner. The auditors noted many deficiencies in complying with Department guidelines implemented to ensure that the investigation and prosecution activity is initiated and completed within reasonable time parameters.

Response: Accepted.

Investigations: The chief of each investigative unit will be instructed to review all investigative files before the files are either closed or sent to the prosecution unit. Further, the chiefs will regularly review each investigator's caseload to ensure that all reports are signed and all activity is updated in the RAES system.

Prosecutions: The chiefs of the prosecution unit will be instructed to assign cases within 30 days of receipt. Further, they will regularly review the cases of the attorneys to

Accepted or Implemented - continued

ensure that activity on the files is done within the policy guidelines and that all documentation that must be in the attorney work file is actually there. The administrative assistants for each prosecution unit will be instructed to review files referred from investigations unit to ensure that all of the investigative reports are signed and in the prosecution file. The administrative assistant will also review the attorneys' files after the cases are disposed of to ensure that copies of signed Director's order are contained in the files.

Probation: The chief of the probation unit will be instructed to follow the policy guidelines to ensure that all deadlines are met on a timely basis. The chief will have regular case review with the investigators to ensure that the deadlines are enforced and to ensure that all RAES entries are recorded in a timely manner.

13. Devote adequate resources to ensure the registered nurses certification is filed with the Department of Public Health timely, as required by statute, until a legislative remedy regarding the statutory requirement is formally adopted. (Repeated-2001)

Findings: DPR did not file the required annual certification with the Department of Public Health concerning the number of registered nurses in each region currently engaged in the practice of professional nursing. Public Health indicated they use an alternative Act for their information.

Response: Accepted. The Department has sought to remove the requirement legislatively; however, the legislation did not pass during the 2005 spring session. The Department will continue to seek legislative remedy to resolve this finding. The Department has complied with the requirement in 2005 and will continue to comply until the Act has been amended.

14. Make all information available in Spanish on the Department's website as required by State law.

Findings: The Department did not make all licensure requirements available in Spanish, on the Department's website. The Department also did not provide links in Spanish to a listing of the Department approved nursing programs and other educations resources related to the Test of English as a foreign Language and the Commission on Graduates of Foreign Nursing Schools Examination.

Response: Accepted. The Department has complied with Section 65/20-31 of the Nursing and Advanced Practice Nursing Act. All licensure requirements are provided on the Department's World Wide Web Site in English and Spanish.

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The Department is in the process of providing a link of educational resources, in English and Spanish, on the Department's World Wide Web site as required by Section 65/20-32 of the Nursing and Advanced Practice Nursing Act.

Updated Response: The Department's nursing staff is continuing to work on providing the most current links to educational resources in English and Spanish.

15. Formally adopt and implement the revised rules and application in order to fully comply with the Funeral Directors and Embalmers Licensing Code requirement of certifying the presence and address of a preparation room. (Repeated-2003)

Findings: The auditors noted that contrary to statute, the Department's Rules for the Administration of the Funeral Directors and Embalmers Licensing Code does not require each fixed place of practice or establishment devoted to the care and preparation for burial or transportation of deceased human bodies to maintain a preparation room. The Department also did not conduct regular inspections of funeral establishments to determine compliance with the Code for existence and proper maintenance of a preparation room unless it received complaints. The Department also did not obtain from each applicant for a funeral director embalmer's license a statement of the place of practice.

Response: Accepted. A rule has been prepared amending Section 1250.170. The amendment duplicates the language found in Section 15-55 of the Act by requiring each fixed place of practice to maintain a preparation room. The amendment is scheduled to be published in the May 27, 2005 Illinois Register.

The licensing application will be amended to require each applicant for a funeral director's or embalmer's license to provide the location of the preparation room.

Updated Response: Section 1250.170 was updated and was adopted September 16, 2005.

16. Ensure the Board sends the required summary reports of final actions taken upon disciplinary files maintained to the intended recipients provided by the Medical Practice Act until a legislative remedy regarding the statutory requirement has been formally adopted. (Repeated-2003)

Findings: The auditors noted the Department did not ensure the Board sent the required summary reports of final actions taken upon disciplinary files maintained to every licensed health care facility, every professional association and society of persons licensed under the Medical Practice Act, medical associations, insurers and the Federation of State Medical Licensing Boards.

Accepted or Implemented - continued

Department personnel noted they believe the statute is outdated and it is no longer necessary to send separate summary reports to the intended recipients mentioned since the Department publishes, at least monthly, since 1996, final disciplinary actions taken against a licensee or applicant.

Response: Accepted. The Department has sought to remove the outdated requirement by introducing HB 2576; however, the legislation failed to pass during the 2005 spring session. The Department will continue to seek legislative remedy to resolve this finding.

17. Formally adopt rules consistent with the Podiatric Medical Practice Act of 1987. (Repeated-2003)

Findings: The Department developed and printed rules for the administration of the Podiatric Medical Practice Act that only require the chief administrator or executive officer of any health care institution license to report to the Podiatric Medical Licensing Board concerning impaired podiatric physicians. The Rules were silent on the reporting requirements to the Board for incompetence or unprofessional conduct, felonies and settlement of claims regarding a podiatric physician.

Updated Response: The Rule amendment was drafted by the agency and was approved by the Podiatry Board at the June 8, 2005 meeting. The Rule change is being filed with the Joint Committee on Administrative Rules for consideration.

18. Hire an Assistant Drug Compliance Coordinator as required by State statute or seek a legislative remedy to the statutory requirement. (Repeated-2003)

Findings: The Department did not employ an Assistant Drug Compliance Coordinator as required by the Wholesale Drug Distribution Licensing Act.

Response: Accepted. The department sought to remove this requirement legislatively; however, the legislation failed to pass during the 2005 spring session. The Department will continue to seek legislative remedy to resolve this finding.

19. Amend the Rules to set the correct fees as mandated by the Roofing Industry Act, or seek a legislative remedy to the statutory requirement. Seek guidance to determine if amounts collected in excess of statutorily allowed fees should be refunded. (Repeated-2003)

Findings: The auditors noted the fees set for renewing a roofing industry license were higher than the statute permitted. Also the fee for obtaining a duplicate license was higher than the statute permitted. A fee was not established for an application filed during the

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second half of the biennial period. The Department collected \$95,625 in renewal fees, which is \$47,813 in excess of the allowable renewal fees.

Response: Accepted. Legislation was introduced (HB 561) and passed during the 2005 spring session to correct fees. Public Act 094-0254 was signed into law and became effective July 19, 2005.

The Department sought guidance on the potential need for a refund from the Department's Office of Legal Affairs and the Office of the General Counsel at the Governor's Office of Management and Budget. The conclusion reached was that in light of the totality of the circumstances a refund was not necessary. Among the reasons for this conclusion were (1) the likelihood that the statute would be amended during the course of the current licensing period; (2) case law regarding the propriety of refunds in similar circumstances; and (3) the fact of proper procedure having taken place without objection during the rulemaking process.

20. Appoint two qualifying members to the Clinical Psychologists Licensing and Disciplinary Board as required by the Act.

Findings: The Director of The Department did not appoint new members to the Board in order to fill two vacancies that have existed since July 2003 and October 2004.

Updated Response: One new member has been appointed to the Board since this finding was established. The Division is currently considering candidates for the remaining vacant position.

21. Conduct mandatory inspections to ensure that licensees are in compliance with the requirements of licensure. We also recommend the department establish a fee for these inspections as required.

Findings: The Department failed to conduct mandatory inspections and set a fee for the inspections in accordance with the Home Medical Equipment and Services Provider License Act.

Response: Accepted. The Enforcement Division will assign Health Service Investigators to conduct mandatory inspections on Home Medical Equipment and Service Providers. The department will also work to establish rules related to fees for these inspections.

Updated Response: The Agency has conducted 140 inspections since the time of the finding. Additional inspections will continue to be scheduled on an ongoing basis.

22. Establish a program of care and treatment for impaired dentists to be in compliance with the Illinois Dental Practice Act.

Accepted or Implemented - concluded

Findings: The Department did not establish by rule a program of care, counseling, and treatment for a dentist who is unable to practice with reasonable skill and safety because of a physical or mental disability.

Updated Response: The Department has established a care and treatment program. The Rules Coordinator is drafting appropriate Rules to establish the care, counseling and treatment program.

Emergency Purchases

The Illinois Purchasing Act (30 ILCS 505/1) states that “the principle of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts ...” The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption for emergencies “involving public health, public safety, or where immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage ... prevent or minimize serious disruption in State services or to insure the integrity of State records. The chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make ‘quick purchases’, including but not limited to items available at a discount for a limited period of time.”

State agencies are required to file an affidavit with the Auditor General for emergency procurements that are an exception to the competitive bidding requirements per the Illinois Purchasing Act. The affidavit is to set forth the circumstance requiring the emergency purchase. The Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

The Department filed no affidavits for emergency purchases in FY04.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time.

The Department of Professional Regulation indicated as of July 2004, the Department had 371 employees assigned to locations other than official headquarters.